

**TOWN OF TRAPPE  
ORDINANCE NO. 1-2021**

**DRINKING WATER BONDS  
SERIES 2021**

AN ORDINANCE OF THE TOWN OF TRAPPE, A MUNICIPAL CORPORATION OF THE STATE OF MARYLAND, PROVIDING FOR THE ISSUANCE AND SALE OF UP TO NINE HUNDRED EIGHTY-TWO THOUSAND THREE HUNDRED TEN AND 0/100 DOLLARS (\$982,310) AGGREGATE PAR AMOUNT OF BONDS TO BE KNOWN AS THE "TOWN OF TRAPPE DRINKING WATER BONDS, SERIES 2021" (THE "**BONDS**"), TO BE ISSUED AND SOLD PURSUANT TO THE AUTHORITY OF SECTION 19-301 *ET SEQ.* OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED, SECTIONS 9-1601 THROUGH 9-1622 OF THE ENVIRONMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED, AND THE CHARTER OF THE TOWN OF TRAPPE, SECTION 612, FOR THE PURPOSE OF PROVIDING FUNDS NECESSARY TO PAY THE COSTS OF UPGRADES TO A WELL REPLACEMENT, INSTALLATION OF A FLOW METER, UPGRADES TO A HYPOCHLORITE FEED SYSTEM, AND OTHER PUBLIC IMPROVEMENTS FOR THE TOWN OF TRAPPE, AND PAYING CAPITALIZED INTEREST ON AND THE COSTS OF ISSUING THE BONDS; PROVIDING THAT THE BONDS SHALL BE ISSUED UPON THE FULL FAITH AND CREDIT OF THE TOWN OF TRAPPE; PROVIDING FOR THE DISBURSEMENT OF THE PROCEEDS OF THE SALE OF THE BONDS AND FOR THE LEVY OF ANNUAL TAXES UPON ALL ASSESSABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE TOWN OF TRAPPE SUBJECT TO ASSESSMENT FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS AS THEY SHALL MATURE; AUTHORIZING THE FORM AND EXECUTION OF ONE OR MORE LOAN AGREEMENTS BETWEEN THE MARYLAND WATER QUALITY FINANCING ADMINISTRATION AND THE TOWN OF TRAPPE; PROVIDING FOR THE FORM, TENOR, DENOMINATION, MATURITY DATE AND OTHER PROVISIONS OF THE BONDS; PROVIDING FOR THE SALE OF THE BONDS; AND PROVIDING FOR THE DESIGNATION OF SPECIFIC PROJECTS TO BE FINANCED WITH PROCEEDS OF THE BONDS AND RELATED PURPOSES.

**WHEREAS**, the Town of Trappe (the "**Borrower**"), is a municipal corporation of the State of Maryland organized and operating under a charter adopted in accordance with Article XI-E of the Constitution of Maryland, and Title 4 of the Local Government Article of the Annotated Code of Maryland, as amended; and

**WHEREAS**, pursuant to the authority of Section 19-301 *et seq.* of the Local Government Article of the Annotated Code of Maryland, as amended, Sections 9-1601 through 9-1622 of the Environment Article of the Annotated Code of Maryland, as amended (the "**Act**"), and Section 612 of the Charter of the Borrower (the "**Charter**"), the Council of the Borrower (the "**Council**") has determined to issue two subseries of its general obligation bonds to be known as the "Town of Trappe Drinking Water Bonds, Series 2021," as such designation may be modified (the "**Bonds**"), in the aggregate principal amount not to exceed Nine Hundred Eighty-Two Thousand Three Hundred Ten and 0/100 Dollars (\$982,310) for the purpose of providing all or a

portion of the funds necessary to pay the costs of a well replacement, installation of a flow meter, upgrades to a hypochlorite feed system and other public improvements for the Borrower (collectively, the “**Project**”), capitalized interest on the Bonds and payment of the costs of issuing such bonds, all in accordance with the terms and provisions of this Ordinance; and

**WHEREAS**, the Borrower proposes to issue and sell the Bonds to the Maryland Water Quality Financing Administration, a unit of the Maryland Department of the Environment (the “**Administration**”), in connection with the Administration’s Drinking Water Revolving Loan Fund Program (the “**Program**”) and to enter into a Loan Agreement with the Administration with respect to each subseries of the Bonds (each a “**Loan Agreement**” and together, the “**Loan Agreements**”) in substantially the forms which are attached hereto as **Exhibit A** and **Exhibit B**; and

**WHEREAS**, the Borrower intends by this Ordinance to provide for the issuance and sale of the Bonds and the obtaining of the loans (each a “**Loan**” and collectively, the “**Loans**”) from the Administration pursuant to the Program and as further described in the Loan Agreements.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF TRAPPE:**

**Section 1. Authorization, Terms, Form of Bonds.**

(a) The Borrower shall borrow upon its full faith and credit and shall issue and sell the Bonds as two subseries of its general obligation bonds in the aggregate principal amount not to exceed Nine Hundred Eighty-Two Thousand Three Hundred Ten and 0/100 Dollars (\$982,310) to be designated the “Town of Trappe Drinking Water Bonds, Series 2021A” (the “**Series 2021A Bond**”) and the “Town of Trappe Drinking Water Bonds, Series 2021B (Taxable)” (the “**Series 2021B Bond**”), and to be issued pursuant to the authority of Sections 19-301 *et seq.* of the Local Government Article of the Annotated Code of Maryland, as amended, Sections 9-1601 through 9-1622 of the Act, and Section 612 of the Charter. The proceeds from the sale of the Bonds shall be used for the purpose of providing a portion of the funds necessary to finance and refinance the costs of the Project and the payment of issuance costs and other related costs. Notwithstanding anything in this Ordinance to the contrary, the Borrower shall use and apply proceeds of the Bonds only as permitted by the Loan Agreements, the Safe Drinking Water Act (as defined in the Loan Agreements) and the Act.

(b) The Series 2021A Bond shall be issued as one or more fully registered bonds in the aggregate principal amount not to exceed Four Hundred Ninety-One Thousand One Hundred Fifty-Five and 0/100 Dollars (\$491,155), payable to the Administration as the registered owner thereof. The Series 2021B Bond shall be issued as one or more fully registered bonds in the aggregate principal amount not to exceed Four Hundred Ninety-One Thousand One Hundred Fifty-Five and 0/100 (\$491,155), payable to the Administration as the registered owner thereof. The Bonds shall be issued in such amount or such lesser amount as determined by the President of the Council (the “**President**”) pursuant to Section 1(h) of this Ordinance, which shall be the amount of the Loans to be financed under the Program.

(c) The Bonds shall be dated as of the issue date; shall be numbered sequentially RA-1 and RB-1 and upward, as applicable; shall be initially registered in the name of the

Administration or its designee; shall bear interest from its dated date payable in semiannual installments, at the designated office of the Administration.

(d) The Series 2021A Bond, or so much of the principal amount thereof as shall have been advanced from time to time under the terms of the corresponding Loan Agreement (the Series 2021A Loan Agreement”), shall bear interest at an annual rate or rates of interest as noted in the Series 2021A Bond (which rate shall not exceed 25% of the average of the Bond Buyer 11-Bond Index for the month preceding the month in which the loans are closed) and shall mature no later than thirty years after the date of completion of the Project, the actual rate or rates of interest to be borne by the Series 2021A Bond, scheduled principal payments and maturity to be determined with the approval of the President acting pursuant to Section 1(h) of this Ordinance.

(e) The Series 2021B Bond, or so much of the principal amount thereof as shall have been advanced from time to time under the terms of the Series 2021B Loan Agreement, shall bear interest at the rate of 0.00% per annum. The principal of the Series 2021B Bond advanced under the corresponding Loan Agreement (the “Series 2021B Loan Agreement”) shall be payable upon demand by the Administration in accordance with the Series 2021B Loan Agreement, together with interest at an annual rate not to exceed one hundred percent (100%) of the average of the Bond Buyer 11-Bond Index for the calendar month prior to the month in which the Series 2021B Bond is delivered accruing from the date on which such demand is made by the Administration, which demand may be made at any time prior to that date which is the ten (10) year anniversary of the date of delivery of the Series 2021B Bond.

Because the Series 2021B Bond bears interest at the rate of 0.00% per annum, no actual interest shall be due on the Series 2021B Bond except to the extent interest on overdue installments of principal and interest on any Series 2021B Bond is due in accordance with the Series 2021B Loan Agreement, and any provisions of this Ordinance referring to the payment of interest on the Series 2021B Bond shall be disregarded except to the extent applicable in accordance with the Series 2021B Loan Agreement.

The Series 2021B Bond is not issued as a tax-exempt obligation of the Borrower.

Pursuant to the Safe Drinking Water Act and Section 9-1605.1(d)(8) of the Act, the Administration shall forgive repayment of the principal amount of the Loan made in connection with the Series 2021B Bond (the “Series 2021B Loan”) and the interest payable thereon under Article III of the Series 2021B Loan Agreement and repayment of the Series 2021B Bond and the interest payable thereon so long as the Borrower performs all of its other obligations under the Series 2021B Loan Agreement. Upon determination by the Administration that any such other obligations under the Series 2021B Loan Agreement have not been performed by the Borrower, payment of the principal of the Series 2021B Loan and the interest thereon will be due and payable upon demand. If the Administration has not demanded payment of the principal of and interest on the Series 2021B Bond prior to the date provided for therein, then the Administration shall be deemed to have forgiven repayment of the Series 2021B Loan evidenced by the Series 2021B Bond and interest thereon, the Series 2021B Bond shall be deemed cancelled and the Series 2021B Loan Agreement shall be terminated and of no further force and effect.

(f) Each subseries of the Bonds shall be in substantially the form set forth on Exhibit F to the applicable Loan Agreement, which form of Bonds, together with all of the covenants and conditions therein contained, is hereby adopted by the Borrower as and for the form of obligation to be incurred by the Borrower and such covenants and conditions are hereby made binding upon the Borrower, including the promise to pay therein contained.

(g) The Bonds are to be issued in connection with the Program to finance the Project and to pay costs of issuance and other related costs. The Borrower will enter into the Loan Agreements with the Administration in substantially the forms which are attached hereto as **Exhibit A, with respect to the Series 2021A Bond**, and **Exhibit B, with respect to the Series 2021B Bond**. The Borrower also will execute and deliver in connection with the issuance of the Bonds, additional documents, agreements, instruments and certificates (which, together with the Loan Agreements are herein referred to as the “**Loan Documents**”). The Loan Documents shall be in such form and shall contain such terms and conditions as contained in this Ordinance, as approved by the President in accordance with subsection (h) below, and acceptable to the Administration. The Borrower agrees to perform the covenants and agreements set forth in the Loan Documents and hereby expressly acknowledges its absolute and unconditional obligation to pay the Administrative Fee of the Administration in accordance with the Loan Agreements.

(h) Because this Ordinance is being adopted before completion of the financing, the details of the Loans to be made by the Administration to the Borrower have not yet been finalized; the President is hereby authorized to make such changes to the amount, terms and form of the Bonds and each respective Loan Agreement, including insertions therein or additions or deletions thereto, as may be necessary to conform the terms of the Bonds and the Loan Agreements to the terms of the financing to be provided to the Borrower by the Administration. Without limiting the foregoing, it is presently contemplated that the Loans will be in an aggregate amount not to exceed the maximum principal amount of the Bonds hereby authorized, subject to final approval by the Administration. Accordingly, the President is specifically authorized: (i) to make changes to the principal amount of the Bonds in order to reflect the final principal of each Loan as approved by the Administration and accepted by the Borrower up to the amount authorized by this Ordinance, (ii) to authorize and approve an interest rate or rates as limited by this Ordinance, and payment schedule reflecting the principal and interest payments with respect to the Bonds, and (iii) to change the year of the series designation of the Bonds as described herein to the actual year in which the Bonds are issued.

**Section 2. Execution.** The Bonds and the Loan Documents shall be executed on behalf of the Borrower by the manual signature of the President of the Council, and the seal of the Borrower shall be affixed thereto or reproduced thereon and attested by the manual signature of the Town Administrator/Town Clerk of the Borrower (the “**Town Administrator/Town Clerk**”). In the event any official whose signature appears on the Bonds or the Loan Documents shall cease to be an official prior to the delivery of the Bonds or the Loan Documents, or, in the event any official whose signature appears on any of the Bonds or the Loan Documents becomes an officer after the date of the issue, the Bonds or Loan Documents shall nevertheless be valid and binding obligations of the Borrower in accordance with their terms. The President of the Council is hereby authorized, empowered and directed to complete the applicable form of the Bonds and the Loan Documents and to make modifications, deletions, corrections or other

changes thereto in any manner which the President, in his or her discretion, shall deem necessary to complete the issuance and sale of the Bonds and the execution and delivery of the Loan Documents, as will not alter the substance thereof. The President is hereby also authorized to execute other documents relating to the Loans and the Bonds and its administration, including subsequent modifications, deletions, corrections and other changes thereto in any manner which the President, in his or her discretion, shall deem appropriate. The execution of the Bonds and the Loan Documents and any other documents relating to the Loans and the Bonds by the President shall be conclusive evidence of his approval of the form and substance thereof.

**Section 3. Registration of Bonds.** The Town Administrator/Town Clerk shall act as registrar for the Bonds and shall maintain registration books for the registration and registration of transfer of the Bonds. No security or bonds shall be required of the Town Administrator/Town Clerk in the performance of the duties of registrar for the Bonds. The Borrower may from time to time by resolution adopted by the Council, either prior to or following the issuance of the Bonds, designate and appoint one or more substitute or successor registrars or paying agents for the Bonds.

The Bonds will be transferable by the Town Administrator/Town Clerk only upon the register for the Bonds maintained by the Town Administrator/Town Clerk. Any Bond presented for transfer, exchange or registration, shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Town Administrator/Town Clerk, duly executed by the registered owner thereof or by such owner's duly authorized attorney. Upon any transfer or exchange, the Borrower shall execute and deliver in the name of the registered owner or the transferee or transferees, as the case may be, a new registered Bond of authorized denomination(s) in the outstanding and unpaid principal amount of the Bond, payable or maturing on the same date or dates and bearing interest at the same rate as the surrendered Bond. In each case, the Borrower may require payment by the registered owner requesting the exchange or transfer of any tax, fee or other governmental charge and of any shipping and insurance charges that may be required to be paid with respect thereto, but otherwise no charge shall be made to the registered owner for the exchange or transfer. The Registrar shall not be required to transfer or exchange any Bond after the mailing of a notice of redemption.

The Borrower may deem and treat the person in whose name any Bond shall be registered upon the books of the Borrower as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal, premium, if any, of and interest on such Bond and for all other purposes.

**Section 4. Prepayment.** The Loan Agreements limit the ability of the Borrower to prepay the Bonds. The Bonds are subject to mandatory prepayment as required under the Loan Agreements and optional prepayment in whole or in part only at such times and in such amounts, and upon the payment by the Borrower of such premium or penalty, as the Administration may specify and approve.

**Section 5. Replacement of Mutilated, Lost, Stolen, or Destroyed Bonds.** In case the Bonds shall become mutilated or be destroyed, lost or stolen, the Borrower may cause to be executed and delivered, a new Bond of like date and tenor and bearing the same or a different number, in exchange and substitution for each Bond mutilated, destroyed, lost or stolen, upon the

owner paying the reasonable expenses and charges of the Borrower in connection therewith and, in the case of any Bond being destroyed, lost or stolen, upon the owner filing with the Borrower evidence satisfactory to it that such Bond was destroyed, lost or stolen. Any Bond so issued in substitution for a Bond so mutilated, destroyed, lost or stolen: (i) may be typewritten, printed or otherwise reproduced in a manner acceptable to the owner thereof, and (ii) shall constitute an original contractual obligation on the part of the Borrower, whether or not the Bond in exchange for which said new Bond is issued shall at any later date be presented for payment and such payment shall be enforceable by anyone, and any such new Bond shall be equally and proportionately entitled to the benefits of this Bond with all other like Bonds, in the manner and to the extent provided herein.

**Section 6. Use of Proceeds; Records.**

(a) The proceeds of the Bonds shall be held, invested, administered and disbursed by the Administration pursuant to the Loan Agreements and shall be used, when and as required, to pay the costs of the Project.

(b) The Loan Commitment (as defined in the applicable Loan Agreement) is subject to reduction in accordance with the applicable Loan Agreement. In the event of any reduction in the amount of the Loan Commitment, the Administration may prepare, and the Borrower shall repay the Loans in accordance with, a revised principal amortization schedule.

(c) The Town Administrator/Town Clerk shall create and maintain, or cause to be created and maintained, full and complete books and records of account for the receipt, investment and disbursement of the proceeds of the Bonds.

**Section 7. Covenants.** The Borrower covenants with the Administration and for the benefit of the owners from time to time of the Bonds that so long as the Bonds or installments of principal thereunder shall remain outstanding and unpaid:

(a) For the purpose of paying the maturing principal of and interest on the Bonds when due, the Borrower has established or shall establish a dedicated source of revenue as described in the applicable Loan Agreement which may include, but not be limited to, water and wastewater system user fees.

(b) The Borrower will duly and punctually pay, or cause to be paid, to the Administration the principal of the Bonds and interest accruing thereon, at the dates and places and in the manner mentioned in the Bonds from unlimited ad valorem taxes in the event that available monies or revenues of the Borrower are inadequate to make such payment.

(c) The Borrower covenants that so long as the Bonds are outstanding and not paid, unless other monies or revenues are available for payment of principal of, premium (if any) and interest on the Bonds, it will levy annually, in the manner prescribed by law, an ad valorem tax on all taxable property within its corporate limits subject to assessment for unlimited taxation, in rate and amount and sufficient, to provide for the payment of the principal of and interest on the Bonds as the same become due and payable. In the event that the monies or revenues available or the taxes so levied in any fiscal year shall prove inadequate for the above purposes, the Borrower shall levy additional taxes in the succeeding

fiscal year to make up such deficiency. The full faith and credit and the unlimited taxing power of the Borrower are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds as the same become due.

(d) The Borrower will promptly provide to the Administration (or to any person designated by the Administration) all financial information and operating data concerning the Borrower as may be required by the Administration in its discretion in order to comply with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission, as in effect from time to time, applicable to the Administration's bonds.

**Section 8. Ordinance a Contract.** The provisions of this Ordinance shall constitute a contract with the purchasers and registered owners from time to time of the Bonds, and this Ordinance shall not be repealed, modified or altered in any manner materially adverse to the interests of such purchasers or owners while the Bonds or any portion thereof remain outstanding and unpaid without the consent of the owners of the Bonds.

**Section 9. Purchase Price of Bonds.** The Bonds shall be sold for cash in accordance with the terms and provisions of this Ordinance, at par in accordance with the terms and provisions of this Ordinance, and as authorized by Section 19-301 *et seq.* of the Local Government Article of the Annotated Code of Maryland, as amended and Sections 9-1601 through 9-1622 of the Act.

**Section 10. Sale of Bonds.** The Bonds shall be sold to the Administration at private sale, as authorized by Section 9-1606(b) of the Act.

**Section 11. Pledge of Local Government Payments.** As contemplated and authorized by Section 9-1606(d) of the Act, the Borrower hereby pledges, assigns and grants a security interest to the Administration, its successors in trust and assigns, all right, title and interest of the Borrower in and to money that the Borrower is entitled to receive from the State of Maryland, to secure payment of the principal of, premium, if any, and interest on the Bonds and any other local obligations issued and to be issued from time to time by the Borrower under the Program.

**Section 12. Authority to Take Action.** The officers and employees of the Borrower are hereby authorized and directed to do all acts and things required of them by the provisions of this Ordinance, for the full, punctual and complete performance of all the terms, covenants and provisions of the Bonds, the Loan Documents and this Ordinance and to do and perform all acts and to execute, seal and deliver all documents, certificates or instruments of writing which may be necessary or desirable to carry out the full intent and purposes of this Ordinance and the Loan Documents. Any and all acts heretofore taken by the officers or employees of the Borrower in connection with the authorization, offer, sale and delivery of the Bonds are hereby approved, ratified and confirmed.

**Section 13. Covenants Relating to Tax Exempt Status of the Series 2021A Bond.**

(a) The President and the Town Administrator/Town Clerk shall be the officials of the Borrower responsible for the issuance of the Series 2021A Bond within the meaning of Section 1.148-2 of the Arbitrage Regulations (defined below). The President and the Town Administrator/Town Clerk shall also be the officials of the Borrower responsible for the execution and delivery on the date of the issuance of the Series 2021A Bond of a certificate or certificates of the Borrower (a "Tax and Section 148 Certificate") that complies with the

requirements of Section 148 of the Internal Revenue Code of 1986, as amended (“**Section 148**”), and the applicable regulations thereunder (the “**Arbitrage Regulations**”), and such officials are hereby authorized and directed to execute and deliver a Tax and Section 148 Certificate to counsel rendering an opinion on the validity of the Series 2021A Bond on the date of issuance of the Series 2021A Bond.

(b) The Borrower shall set forth in the Tax and Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Series 2021A Bond or of any monies, securities or other obligations on deposit to the credit of any account of the Borrower which may be deemed to be proceeds of the Series 2021A Bond pursuant to Section 148 or the Arbitrage Regulations (the “**Bond Proceeds**”). The Borrower covenants that the facts, estimates and circumstances set forth in the Tax and Section 148 Certificate will be based on the Borrower’s reasonable expectations on the date of the issuance of the Series 2021A Bond and will be, to the best of the certifying officials’ knowledge, true and correct as of that date.

(c) The Borrower covenants and agrees with the registered owner or owners of the Series 2021A Bond that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the Bond Proceeds that would cause the Series 2021A Bond to be an “arbitrage bond” within the meaning of Section 148 and the Arbitrage Regulations. The Borrower further covenants that it will comply with Section 148 and the Arbitrage Regulations which are applicable to the Series 2021A Bond on the date of issuance thereof and which may subsequently be made applicable thereto as long as the Series 2021A Bond remains outstanding and unpaid. The President and the Town Administrator/Town Clerk are hereby authorized and directed to prepare or cause to be prepared and to execute any certification, opinion or other document, including, without limitation, a Tax and Section 148 Certificate, which may be required to assure that the Series 2021A Bond will not be deemed to be an “arbitrage bond” within the meaning of Section 148 and the Arbitrage Regulations. All officers, employees and agents of the Borrower are hereby authorized and directed to take such actions, and to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the Series 2021A Bond as may be necessary or appropriate from time to time to comply with, or to evidence the Borrower’s compliance with, the covenants set forth in this Section.

(d) The Borrower further covenants that it shall make such use of the proceeds of the Series 2021A Bond, regulate the investment of the proceeds thereof, and take such other and further actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Series 2021A Bond.

(e) The Borrower further covenants with the registered owner or owners of the Series 2021A Bond (i) that it will not take any action or (to the extent that it exercises control or direction) permit any action to be taken that would cause the Series 2021A Bond or a portion of the Series 2021A Bond to be “federally guaranteed” within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and (ii) that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the proceeds of the Series 2021A Bond or a portion of such proceeds that would cause the Series 2021A Bond or a portion of the Series 2021A Bond to be a “private activity bond” within the meaning of Section 141(a) of the Code.



(f) The President may make such covenants or agreements in connection with the issuance of the Series 2021A Bond as he or she shall deem advisable in order to assure the registered owner or owners of the Series 2021A Bond that interest thereon shall be and remain excludable from gross income for federal income tax purposes, and such covenants or agreements shall be binding on the Borrower so long as the observance by the Borrower of any such covenants or agreements is necessary in connection with the maintenance of the exclusion of the interest on the Series 2021A Bond from gross income for federal income tax purposes. The foregoing covenants and agreements may include such covenants or agreements on behalf of the Borrower regarding compliance with the provisions of the Code as the President shall deem advisable in order to assure the registered owner or owners of the Series 2021A Bond that the interest thereon shall be and remain excludable from gross income for federal income tax purposes, including (without limitation) covenants or agreements relating to the use and investment of Bond Proceeds, the payment of certain earnings (if any) resulting from such investment to the United States, limitations on the times within which, and the purpose for which Bond Proceeds may be expended, or the use of specified procedures for accounting for and segregating Bond Proceeds. Such covenants and agreements may be set forth in a Tax and Section 148 Certificate.

**Section 14. Effective Date; Miscellaneous.**

(a) **Effective Date.** This Ordinance shall take effect twenty (20) days after the date of its adoption by the Council of the Borrower.

(b) **Governing Law.** The laws of the State of Maryland shall govern the construction of this Ordinance and the Bonds.

(c) **Filing of Ordinance; Certified Copies of Ordinance.** The Town Administrator/Town Clerk shall cause a true and correct copy of this Ordinance to be filed in the permanent records of the Borrower and kept available for public inspection. Any copy of this Ordinance duly certified by the Town Administrator/Town Clerk or any successor in office shall constitute evidence of the contents and provisions hereof.

(d) **Severability.** The provisions of this Ordinance are severable, and if any provision, sentence, phrase, clause, section or part of this Ordinance shall be held or deemed to be illegal, invalid, inoperative, or unenforceable, the same shall not affect or impair any other provision, sentence, phrase, clause, section or part of this Ordinance. Any references in this Ordinance to any provisions of state, federal or local law are not exclusive of any other provisions of federal, state or local law applicable to any provisions hereof. It is hereby declared to be the legislative intent that this Ordinance would have been adopted if such illegal, invalid or unconstitutional provision, sentence, phrase, clause, section or part had not been included herein.

(e) **No Personal Liability of Officers, Agents or Employees.** No stipulation, obligation or agreement herein contained or contained in the Bonds or in any Loan Documents executed on behalf of the Borrower shall be deemed to be a stipulation, obligation or agreement of any officer, agent or employee of the Borrower in his or her individual capacity, and no such officer, agent, or employee shall be personally liable on the Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

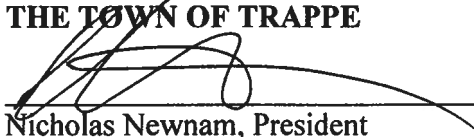
**(f) Amendments and Supplements.** The Council may supplement or amend this Ordinance with respect to the terms of any series of Bonds issued under the authority of this Ordinance.

[Signature Page Follows]


Section 15. This Ordinance was introduced on January 6, 2021, and read and adopted this 3<sup>rd</sup> day of February, 2021.

[SEAL]

THE TOWN OF TRAPPE

  
\_\_\_\_\_  
Nicholas Newnam, President  
of the Council of Trappe

absent  
\_\_\_\_\_  
Robert G. Diefenderfer, Jr., Vice President  
of the Council of Trappe

  
\_\_\_\_\_  
Walter Chase, Sr., Commissioner

  
\_\_\_\_\_  
Norman Fegel, Commissioner

  
\_\_\_\_\_  
Tonya P. Pritchett, Commissioner

I hereby certify that the foregoing Ordinance No. 1-2021 of the Town of Trappe was duly read and enacted in accordance with the applicable provisions of the Charter of the Town of Trappe.

ATTEST:

  
\_\_\_\_\_  
Erin Braband, Town Administrator/Town Clerk  
Town of Trappe

EFFECTIVE DATE OF ORDINANCE: 01/04/21

**Exhibits**

- A – Form of Loan Agreement (Tax-Exempt)
- B – Form of Loan Agreement (Taxable)

